

News Analysis

Ouster of Spain's Staff Chief Sharpens Armed Forces Split

By Miguel Acoca

MADRID, June 21 (UPI).—Generalissimo Francisco Franco's unceremonious dismissal of Lt. Gen. Manuel Diez Aleria as chief of the general staff has sharpened the split between moderates and ultraconservatives in the Spanish armed forces.

Error Is Seen By Police in Ulster Killing

BELFAST, June 21 (UPI).—Gunmen shot and killed a construction worker outside his company's office today, but they may have murdered the wrong man, police said.

Two men firing pistols from a parked car killed a 50-year-old Protestant worker as he walked into his construction firm to report for work, police said.

He was the 1,039th fatality in nearly five years of violence in Ulster.

Police said that they could find no motive for the killing, which occurred in a mixed Protestant-Catholic area in northwest Belfast. They said that they are working on the theory that the killing was a case of mistaken identity.

Offensive Slackens
A bomb offensive by the militant Provisional wing of the IRA slackened today. But a large bomb devastated the center of Clougher, a village 40 miles west of Belfast, a security spokesman said.

It was at least the 26th bomb exploded in Northern Ireland since Monday night, when the Provisionals began a campaign which they said would continue until Britain agreed to a pullout date for its 16,000 troops here.

Spokesmen said that three men hijacked a post office truck, piled at least 100 pounds of explosives into the back and forced its driver to park the truck in Clougher's main street.

The explosion 45 minutes later wrecked several shops, damaged the police station and blew out hundreds of windows, the spokesman said. There were no casualties.

48% in Spain Poll Oppose U.S. Bases

MADRID, June 21 (UPI).—Almost half of Spaniards questioned in a poll said the United States should leave its military bases in Spain.

In a poll of 1,500 adults of both sexes throughout the country published in this week's "La Actualidad Española," 48 percent said the Americans should leave, 16 percent felt they should stay and 36 percent had no opinion.

The United States maintains Air Force installations near Madrid, Seville and Zaragoza and an air-naval installation near Cadix under a 1953 agreement that expires next year.

Milan Bank Van Robbed

MILAN, June 21 (AP).—Four masked bandits attacked a bank truck here yesterday, shooting a guard and taking \$70,000 in cash before making their getaway by car.

The bank van was carrying cash for the Milan stock exchange.

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perpetrated rumors, leaves the moderates without a leader and appears to have strengthened the ultras, who are led by generals who fought in the 1936-39 Civil War and in World War II, with the "Blue Division" against the Soviet Union.

At issue is whether the moderate faction, composed largely of officers who studied modern military doctrine at Gen. Diez Aleria's general staff school, or the ultras, who are orthodox supporters of Gen. Franco and of his closed political system, will be in command of the armed services when Gen. Franco, who will be 82 in December, either dies or retires.

While the moderates, mainly colonels, majors and captains, are reported to be deifying Gen. Franco's "brutal" dismissal of the ultras, who are orthodox supporters of Gen. Franco and of his closed political system, will be in command of the armed services when Gen. Franco, who will be 82 in December, either dies or retires.

Proposed Law

The ultras, moreover, appear to feel that by getting rid of Gen. Diez Aleria, who was due to retire next month after his 69th birthday and two terms as general staff chief, they have won the battle against a proposed law to reorganize the armed forces.

As written by Gen. Diez Aleria for Premier Luis Carrero Blanco, who was assassinated in December, the law would make professionalism a requisite for promotion, thus preventing ultra veterans of the Civil War from rising to top command posts.

More important, however, the bill would create the posts of chairman of the joint chiefs of staff and defense minister, a major change that would reduce the political power now held by the three military services.

Under the present system, Gen. Franco himself is commander in chief of the armed forces, assisted by the chief of staff. There are ministers of army, navy and air force—three posts are held by military officers—but no overall minister of defense.

It is significant that the assassinated premier had approved the law, which is expected to come up for debate in parliament in the near future.

Compared With Spinoza

Although Gen. Diez Aleria has been likened to Portugal's monodoc Gen. Antonio de Spinoza, the two officers are totally different types. Gen. Spinoza is a charismatic, histrionic speaker and a man of action. Gen. Diez Aleria is a thinker and a soft speaker, who made his mark as a staff officer rather than in military action. The Spaniards' appearance would suffer if he were named one of the monodocs Spaniards have been mulling him to suggest he emulate Gen. Spinoza's seizure of power.

Informed sources said Gen. Franco announced Gen. Diez Aleria's dismissal at a cabinet meeting last June 7. He gave no reason, but it was clear that the ultras had pressed for the action. Their case against Gen. Diez Aleria included the way he blocked the ultras after Adm. Carrero Blanco's assassination and seized control of the country with a crisis-control team of moderate officers loyal to him.

In the six months since the assassination, moderates and ultras have been engaged in a struggle for control of the military as part of the larger conflict between those who want to liberalize the country and those who support the status quo. By dismissing Gen. Diez Aleria in a style which showed his displeasure, Gen. Franco signaled that he remains on the side of the hardliners.

The court said that, because normal procedures were apparently ignored, a youth association was allowed to build a chalet in a known avalanche danger zone in the Val d'Isère.

An avalanche plowed into the chalet Feb. 10, 1970, killing 39 and injuring 38 others. The court ordered the state and the Val d'Isère to pay damages of 318,000 francs (\$58,000) to the families of the victims.

The court said that the mayor of Val d'Isère, the local inspector of the Ministry of Youth and Sports, the fire department inspector, the Housing Control Board, the local school building inspector and the Ministry of Education had all been consulted about either the siting of the chalet, the acquisition of the site, the work or the building permit, and no comment had been made on the situation or the danger of possible avalanches.

The state and the local officials have two months in which to appear to the Council of State, France's highest administrative court, if they wish.



SUPERSONIC SOVEREIGN—Like several other reigning monarchs, Sweden's King Carl-Gustav is a licensed pilot with a special liking for jets. As co-pilot he is seen with pilot (rear) just before take-off in a Viggen which is capable of reaching speed of Mach-2.

U.S. Woman Tells of Failure To Get Pen Pal to W. Berlin

BERLIN, June 21 (UPI).—Amelia Meissner, a 20-year-old San Francisco, Calif., woman, said she failed to get her East Berlin pen pal, Juergen Vicar, through the wall last October would work that "we didn't even say goodbye," she said today.

She smuggled a U.S. Army uniform into East Berlin piece by piece under her own clothing," she said. "We knew the border guards do not check Western Allied soldiers. We shaved off Juergen's beard and gave him a crew cut."

"Juergen put on the uniform and tried to walk through the Friedrichstrasse crossing point for foreigners to Checkpoint Charlie. But he was arrested by border guards immediately."

Six-Year Term
Her pen pal, a 24-year-old stagehand, was sentenced to six years in prison last month, Miss Meissner said.

She kept quiet until today because she feared publicity might harm his case. But now she thinks public attention might help secure Mr. Vicar's release.

She has written to Amnesty International, the Human Rights Commission of the United Nations and her congressman, Rep. Philip Burton, D-Calif.

"Perhaps we were naive, but we were sure it would work," Miss Meissner said.

Amelia and Juergen were pen pals for three years before she came to Berlin last year. They fell in love and plotted to get him past the wall.

"Juergen always wanted to get out," the long-haired brunette said. "He wanted to live in freedom, to have freedom to travel, to speak freely without fear of spies. Meeting me gave him another reason to flee."

Refugee Shot at Wall
BERLIN, June 21 (AP).—East German border guards shot and apparently killed a man early today as he tried to escape across the wall, West Berlin police said.

Witnesses said the man, who appeared to be between 30 and 40 years old, collapsed 25 yards short of the wall across from the Spandau District of West Berlin.

UN Votes In Grenada
UNITED NATIONS, N.Y., June 21 (Reuters).—The Security Council today unanimously approved a resolution calling for the West Indian island of Grenada, which became independent of Britain in February. Grenada will be the 137th UN member.

As 1.4% Price Rise in May Is Reported
Wave of Labor Unrest Sweeps Britain

By Terry Roberts
LONDON, June 21 (UPI).—Labor unrest intensified throughout Britain today as the government reported another big increase in retail prices for May.

Strikes involving hundreds of thousands of workers disrupted production at numerous companies, including such industrial giants as the British Leyland Motor Corp. and the General Electric Co.

Workers are seeking wage increases to offset the increase in the cost of living, which amounted to 1.4 percent last month and a postwar record of 16 percent in the 12 months through May, as measured by the retail price index in the report issued today.

[Meanwhile, Britain's political parties began preparing for an early general election following the Labor party's defeat in five House of Commons votes this week. However, there were indications that Prime Minister Harold Wilson would not call for a new vote before September or October, Reuters reported.]

Votes on Nationalizations
[Yesterday, the Labor government lost two votes on its plans to extend nationalization of industries. Wednesday, it was defeated on a measure to send back to labor unions the £10 million in tax relief they lost for violating a registration law passed under the previous Conservative administration.]

Today, the Labor party lost

two votes in the House as it attempted to amend a private member's bill on lotteries.]

The general air of turmoil and uncertainty over the economic and political outlook caused the stock market to weaken anew. Prices on the London Stock Exchange, which had fallen to a 15-year low today, dropping to 249.1 on the Financial Times index. The British pound also weakened against the dollar.

Most of the work stoppages had begun earlier in the week in anticipation of today's report on the consumer price index, which is regarded as the nation's chief indicator of inflation. More than 60 strikes, many of them wildcat walkouts, are now under way.

51 Per Point
The chief point of contention is the so-called "threshold" pay plan worked out by the Conservative prime minister Edward Heath in an effort to forestall labor strife arising from the inflationary spiral.

Before Nixon's Visit

Jewish Activists in Moscow Seized in Police Round-Up

By Christopher Wren

MOSCOW, June 21 (UPI).—Soviet authorities have mounted an intensive roundup of Jewish activists here in an operation apparently meant to forestall any risk of demonstrations during President Nixon's visit here next week.

More than 30 persons, some of them well-known scientists, have been arrested so far in Moscow and other Soviet cities, Jewish sources reported today. In at least two cases police smashed down apartment doors to make the arrests.

Other Jews have blockaded themselves in their apartments or have fled into hiding, including one who escaped across the rooftops. Still other Jews have been summoned by authorities and warned of criminal prosecution or have been beaten up, the sources reported.

"In Moscow there's a real hunt on for Jews," asserted Alexander Goldfarb, a 27-year-old biochemist, who said he had evaded several police traps. "We are on the run. We are under siege. It is not a very pleasant feeling to hide away like a rat."

In most of the arrests, the police presented no warrants or formal charges, the sources said. Agents who came searching for one man yesterday had an order to hold him for 15 days, which would cover the duration of Mr. Nixon's visit here.

More Sweeping
The roundup appears to be more sweeping than similar precautions taken by Soviet authorities during Mr. Nixon's first visit here two years ago. All the Jews arrested or called in so far are believed to have applied for and to have been refused, permission to emigrate to Israel.

Privately, some Jewish activists here have maintained that Mr.

Nixon's recent statement that emigration was an internal Soviet affair has given authorities here a free hand for such a crackdown. The Soviet press gave Jewish attention to Mr. Nixon's remarks, which were made at Naval Academy graduation exercises at Annapolis.

Jews here have also been upset that the United States might settle for a suggested quota of 45,000 Jewish emigrants a year as a substitute for more fundamental settlement of the emigration issue.

Besides such a settlement, they want to see amnesty for Jews now serving long prison terms for activities permitted to emigrate for the "many thousands" they say have been turned down, and a firm pledge by Soviet authorities to end harassment.

Jews From Where?
"They can get 45,000 a year from Georgia, Dagestan and Bukhara," said Maria Slepak, a 47-year-old doctor. "They'll have enough for 10 years without Jews from Moscow and Leningrad. The quota does not decide anything."

At 5 a.m. today, a flying squad of 15 uniformed police and plainclothes agents smashed down the front door and bedroom door to seize her husband, Vladimir Slepak, also 47, who was in bed. An officer, who wore a padded coat to handle the Slepaks' big dog, gestured that he would kill the dog if it were not taken to another room.

"They said, 'Good morning,'" Mr. Slepak recalled. "I felt like telling them it wasn't a good morning. 'I have to get dressed,' my husband said. 'Give me my warm clothes.'"

Mr. Slepak, a radio electronics engineer and leading activist, was taken to jail. The arresting officers carried off the battered doors to a team of waiting plainclothes who within the hour fixed them, brought them back and even repainted and installed them.

Today, the three principal organizers of a forthcoming seminar planned by unemployed Jewish scientists for July 1 were arrested. Dr. Viktor Brailovsky, a cyberneticist, and Dr. Mark Slepak, a theoretical physicist, were picked up by three officers at Mr. Slepak's country cottage outside Moscow.

"We don't know where they have taken them," Dr. Brailovsky's wife, Irina, said. The third organizer, Prof. Alexander Vornel, a physicist, was hiding in a friend's apartment. He surrendered tonight after security agents had stalked him out the apartment, telephoned to tell him it would be "worse" for his host if they had to force their way in.

Beirut Warned By Israelis
(Continued from Page 1)

port last night to the ambassadors of the United States, Russia, Britain, France and China—the permanent members of the UN Security Council.

Mr. Solh said the question of Lebanon calling an urgent session of the Security Council was "still under discussion."

Syria Affirms Support
DAMASCUS, June 21 (UPI).—President Hafez al-Assad met today with the 14-man leadership of the Palestinian guerrilla movement and assured them of Syria's unwavering support in the face of Israeli attacks, Damascus radio said.

The radio said Mr. Assad met with members of the executive committee of the Palestine Liberation Organization, led by its chairman Yasser Arafat.

Damascus Pilot Shortage
WASHINGTON, June 21 (AP).—Russia increased Syria's fighter force by 83 planes within the last two months, but a Syrian pilot shortage is keeping many military aircraft on the ground.

The new appraisal was made by U.S. intelligence officials, who have been watching Soviet arms shipments to Arab countries.

Russia has sent Syria 83 MIG-23s, MIG-21s, and Su-7s since mid-April. This raised Syria's fighter strength by nearly 40 percent, they said.

But many of Syria's new planes are believed to have been grounded or to be still stored in crates because of a lack of qualified pilots resulting from heavy losses in the October war with Israel.

According to recent U.S. estimates, the Syrian Air Force was left with only 70 jet pilots. Presumably more are being trained by the Russians.

Sadat-Nixon Exchange
CAIRO, June 21 (UPI).—President Anwar Sadat has sent an "urgent and important" message to President Nixon urging a firm U.S. stand against Israeli attacks on Lebanon, a Cairo newspaper reported today.

It said Mr. Nixon replied immediately that the U.S. administration was devoting attention to Mr. Sadat's message. The newspaper warned that Egypt was prepared to take the necessary measures to repel the Israeli attacks.



POKE FROM PRESS—Jacques Duclos, official of the French Communist party, tries to stop his nose from bleeding after a newsmen unintentionally hit him with a microphone during a press conference this week.

U.S. Said to Resist Soviet Plan For Nixon to Travel to Yalta

(Continued from Page 1)

from the controversies stirred by the Yalta agreements in which Roosevelt and Churchill agreed under insistent argument by Stalin that the pro-Soviet Lublin provisional government would be-

come the basis for a postwar regime in Poland and that the Soviet Union, as the occupying power, would have the authority to determine which parties were eligible to participate in elections.

Stalin also won the agreement of the Western Allies to have a chunk of Poland, including Lwow, turned over to Russia, and a part of Germany up to the Oder-Neisse line incorporated into Poland, although it had been German territory for three centuries.

It was in Yalta that Roosevelt made his famous remark that he did not believe American troops would remain in Europe more than two years after the war and, in return for Soviet participation in the war against Japan, agreed to the Soviet annexation of Sakhalin and the Kurile Islands.

In Western Europe the Yalta conference has often been criticized as the meeting where the Allied war leaders carved up Europe and parceled out parts of the world. In America a controversy arose over charges that Roosevelt had "sold out Poland and China."

Soviet officials and newsmen contend that Yalta should have positive memories. "It was the place where the three Allied leaders decided to insist on unconditional surrender from Nazi Germany," a Soviet source said. "That is how we remember it. That is how you should write about it."

Mr. Nixon said in a recent speech that the United States "cannot gear our foreign policy to the transformation of other societies." His position is that changes in the internal affairs of other nations, such as easier emigration rules, should be sought through quiet diplomacy, not by formal legislation.

Congressional leaders maintain that quiet commitments can be subject to different interpretations and can more readily be broken than formal ones. They also believe that legislation provides the U.S. government with bargaining leverage.

Negotiations between Mr. Kissinger, Soviet representatives and the senators have been going on for more than a year, an informant said. Movement was said to have occurred a few weeks ago during Mr. Kissinger's Middle East journey when he met three times with Soviet Foreign Minister Andrei Gromyko.

Rhodesian Voting To Begin July 30
SALISBURY, Rhodesia, June 21 (UPI).—Rhodesia's general election will start at the end of July, the government said here today.

Voting for the 50 white and eight black constituency seats will take place on July 30 and 31. Election of the eight black "tribal" members of Parliament will be held in the electoral colleges for these seats between July 31 and Aug. 2.

Rome Stops Paying Interest On Gigantic Municipal Debt

By Paul Hofmann

ROME, June 21 (UPI).—The City of Rome today stopped paying interest on its mountainous debts in a decision underscoring the disarray of public finances in all of Italy.

"We are on the verge of bankruptcy," Budget Commissioner Carlo Merelli said. He explained that he had suspended the city's debt service to be able to pay the salaries of its 25,000 employees.

Some municipal departments and agencies are already in arrears. When the 1973-1974 season at the Rome Opera House closed after much travail on Wednesday night, the audience was told over the public address system in an intermission that orchestra players and stagehands had not yet received their May salaries.

The other big Italian cities, especially Naples and Palermo, are in similar or even worse financial straits.

The mayor of Milan, Aldo Aniasi, warned recently that the paralysis of municipal services as a consequence of a chronic lack of funds in Italy's second city may lead to urban guerrilla violence.

The Bank of Italy, the nation's watchdog for the credit system, has during the last few months repeatedly singled out Rome City Hall, charging it with wastefulness, inefficiency, extravagance and lack of foresight.

The city today carries a crushing debt load of 2.9 trillion lire (\$4.5 billion), to which \$3 million is added every day. The central government has for a long time been coming to the capital city's aid by arranging loans from state agencies, for which Rome has been paying \$36 percent interest. Since such funds have been increasingly slow in becoming available, the city has frequently turned to banks for emergency credit, usually at 18.75 percent interest.

Other Borrowing
Many other local governments and public agencies, such as the health services, are operating in similar ways, borrowing new money to pay old debts and plug budget holes.

The central bank keeps denouncing such practices of public spending and borrowing as a major cause of Italy's inflation and staggering foreign indebtedness.

Today's moratorium on Rome's debts, adopted unilaterally by City Hall, is bound to cause the capital's already low credit rating to plummet. The budget commission says he will pay city workers from funds that had originally been earmarked for investment projects—alum clean-

ance, roads, sewers and similar improvements in the urban infrastructure. This means that public works in Rome will grind to a halt soon unless the hard-pressed state treasury comes to the city's rescue.

The Fabulous Faubourg St. Honore
Street 13
MERENLENDER (3rd Floor)
Leather & Suede for Men & Women 11
Charles Jourdan
High Fashion Accessories
CHARLES JOURDAN 12
Fashion Shoes
LANVIN 15
22
Duror 28
Quality Shoes
Marie-Martine 50
Fashion Boutique
ROGER GAULET 62
Boutique
JEAN ETE 70
Watchmaker Jeweler
Co. Françoise de
Poirier et la Chine 82
Gifts From China

JUN 21 1974

ine Believed About \$14,000

Nixon Was Given 5% Penalty
For Underpayment of Taxes

By David E. Rosenbaum

WASHINGTON, June 21 (NYT).—Members of the House Judiciary Committee disclosed yesterday that the Internal Revenue Service had assessed President Nixon a 5 percent negligence penalty, believed to be about \$14,000, for the underpayment of income taxes.

It was the first confirmation that the IRS had found the President to have been negligent in not paying more than \$400,000 he owed in taxes during the four years he was in the White House. The penalty covers

only about two-thirds of that sum. In addition, officials of the impeachment inquiry said after a daylong examination of Mr. Nixon's personal finances that the President had thus far not paid any of his tax deficiency for 1969 and had given no official indication that he would ever do so.

The statute of limitations has expired, and Mr. Nixon cannot be required to pay back taxes for that year. But the White House announced in April that the President felt an obligation to pay all that he ever owed and would pay the 1969 deficiency.

President Will Pay

Yesterday, a spokesman in the White House press office said, "The President is paying his taxes on schedule. The President intends to pay the 1969 taxes and will pay them."

A White House official said that the President had already paid all the taxes, interest and penalties he was assessed, except for the 1969 debt.

Rep. Robert McClure of Illinois, a senior Republican on the Judiciary Committee, confirmed that the President had paid his taxes for 1970, 1971 and 1972.

From published records, it appears that the 1969 deficiency amounted to about a third of the President's total underpayment.

Because the statute of limitations had lapsed, the President was reported to have been assessed no interest or penalties for 1969.

Committee members were split on whether the President could be impeached for misconduct of his personal finances.

Matter Is Serious

Rep. Edward Mezey, D-Iowa, said that the presentation yesterday "convinced me that the matter is serious and the allegations that could lead to an impeachable offense should be pursued."

"This whole area of taxes could fall within even the White House's restricted view of what is an impeachable offense," he declared.

On April 3, the President announced that he had been assessed and would pay \$432,787.13 in back taxes plus interest. The announcement was made after both the IRS and the staff of the Joint Congressional Committee on Internal Revenue Taxation had conducted thorough audits of his tax returns for the years 1969 through 1972.

The figure cited by the President apparently included the negligence penalty, which experts said in the neighborhood of \$14,000. The sum the President promised to pay was the amount assessed by the IRS. Details of the delinquencies discovered by the IRS had not been disclosed but were available to the Judiciary Committee members yesterday.

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BACK IN CUSTODY—Former U.S. Army Lt. William Calley being escorted into post stockade Thursday in Fort Benning, Ga. His bail was recently revoked and appeals by his attorneys failed to keep him at liberty while other appeals are being heard. Convicted in 1971 for his role in the My Lai massacre, he will serve the balance of 10-year term in Ft. Benning.

Jaworski and Nixon Lawyers
Argue Principle of Privilege

WASHINGTON, June 21 (AP).—President Nixon's lawyers told the Supreme Court today that he was "the final authority" as to what presidential materials may be used in the Watergate case or other prosecutions.

The two sides agreed that Judge Sirica's order is subject to appeal, a question which the court had asked them to discuss.

"Although it is an open question whether the President is legally and constitutionally subject to citation for contempt of court, no one would question that such a course would be radical and... should be avoided if at all possible," Mr. Jaworski wrote.

The presidential attorneys said the order must be overturned or "the constitutional balance would be altered in ways that no one alive today could predict or measure."

Mr. Nixon's lawyers said the court process was being used as "a tool for the impeachment proceedings" being conducted by the House Judiciary Committee.

"This is so because of the particular relationship which has evolved among the special prosecutor, the District Court and the House Judiciary Committee," they wrote.

"The President is not subject to the criminal process whether that process is invoked directly or indirectly," his lawyers argued.

Their argument relied heavily on the doctrine of separation of powers, which they said "is deeply rooted in the history of political theory, finding its early expression in the works of Aristotle."

"The whole Watergate problem has illustrated how truly complex the right decision can be," the Nixon attorneys said. "It is thus all the more necessary that a President have the ability to freely discuss issues, think out loud, play the devil's advocate and consider alternatives, free from the threat that a probing statement will one day form the basis for an allegation of criminal liability."

The President's lawyers called the action of the Watergate grand jury in naming him as an "undisputed co-conspirator in the cover-up" "nothing less than an attempt to nullify the presumption of innocence."

A pre-sentence probation report recommended a jail sentence for Colson. His attorney and law partner, David Shapiro, said this report was a result of the most "pernicious, deliberate leaks" by government bodies and officials.

In sentencing Colson, the judge said "the court does recognize that Colson's public image was somewhat distorted" but that he nevertheless had to send him to jail. Judge Gesell gave Colson until July 8 to surrender.

The maximum sentence Colson could have received was five years and a \$5,000 fine.

Colson pleaded guilty on June 3 to charges of obstructing justice in the Ellsberg case. At that time, Watergate special prosecutor Leon Jaworski said that Colson had agreed to be a government witness in the trial of other Ellsberg break-in defendants and has promised to provide "all relevant documents in his possession."

In the courtroom during the sentencing were Colson's wife, Patricia, and members of a prayer group he joined after his religious conversion in recent months. Sen. Harold Hughes, D-Iowa, a member of the group, also was in court.

Outside the court, Colson told reporters: "I just want to say one thing and that's all I'm going to say: I've committed my life to Jesus Christ. I can work for the Lord in prison or out of prison and that's what I intend to do."

"What happened today is the Lord's will and the court's will," he complained that some people believed his guilty plea was in pursuit of a lighter sentence. But in court he told Judge Gesell there had been no plea bargaining and the judge said he accepted that statement.

At the White House, Deputy Press Secretary Gerald Warren declined comment on Colson's statements. He said that Mr. Nixon has not communicated with his former aide since Colson pleaded guilty two weeks ago.

House Tape Transcripts Vary Widely From Nixon Versions

By James M. Naughton

WASHINGTON, June 21 (NYT).—House Judiciary Committee transcripts of some of President Nixon's Watergate recordings differ extensively, and in many cases significantly, from the edited transcripts made public by the White House.

A comparison of portions of the tape sets of transcripts made possible for the first time yesterday by the disclosure of a series of confidential Judiciary Committee memoranda, shows that the discrepancies are more numerous and persistent than has been suggested by officials of the impeachment inquiry.

Words, phrases and sometimes whole sections of conversations contained in the Judiciary Committee transcripts are missing from, or at variance with, the expurgated White House narrative.

Committee lawyers have offered an explanation for the differences, saying that the inquiry staff has audio equipment superior to that used by the White House and has, therefore, been able to decipher comments that may have been inaudible to White House transcribers.

Among the most significant variances or omissions from the President's expurgated transcripts were the following:

• Several brief remarks by the President in an important meeting March 21, 1973, with John Dean suggested that Mr. Nixon was familiar with a number of elements of the Watergate scandal before the meeting. Mr. Nixon has contended that he did not know of the matters involved in the alleged Watergate cover-up before Dean, then the White House legal counsel, briefed him March 21. The remarks are not in the edited White House transcript.

• Mr. Nixon expressed surprise, in conversation with Dean Feb. 28, 1973, that John Mitchell, the former attorney general and director of the President's 1972 re-election committee, was "too clever" to let himself be "ruined" by Watergate. The President's version does not include the reference to Mr. Mitchell's cleverness.

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Hunt's more... and later...

...for Christ's sake, etc. etc.

The version issued by the White House has Mr. Nixon saying "I could buy time, and the explosive is doled."

The President directed Dean on March 21 to write a Watergate report so that it might be used to defend the White House rather than as Mr. Nixon has said, to lay bare the facts of the scandal. "Understand, I don't want it that goddamned specific," Mr. Nixon was quoted. The quotation is missing from the White House transcript.

• Mr. Nixon instructed senior White House aides to try to avoid

the risk of perjury if called before a grand jury by professing faulty memories. Instead of an admission of that tactic as a possibility, as portrayed in the White House version of the transcripts, the committee transcript quotes Mr. Nixon as having said:

"Just be damned sure you say 'I don't remember. I can't recall. I can't give any honest answer to that that I can recall.'"

In the White House account, the quote begins, "but you can say I can't recall," suggesting a rhetorical rather than imperative sense to the conversation.

The extracts from the committee transcripts, drawn from

the 19 tape recordings Mr. Nixon has surrendered to the panel, were contained in several of the 14 confidential memos written by William Dixon, a Democratic lawyer on the permanent staff of the Judiciary Committee.

Ten of the memos were made available to The New York Times by a Republican committee member who has generally supported Mr. Nixon in the impeachment investigation. Republican members obtained the documents Wednesday after complaining that some of the memos had been given to reporters by Democratic committee sources.

Complaints About Leaks

At the White House various officials have complained this week that leaks from Democrats on the committee were designed to prejudice the President's defense against impeachment.

Some of the contents of the memos have seeped into public print during the last week. But none of the Democratic sources had disclosed so many of the documents, nor had it been apparent from selected portions of the documents how extensively the committee transcripts differed from those prepared by the White House.

Mr. Dixon wrote the memos, between early May and last week, in response to requests from some Democrats for private guidance in analyzing the voluminous evidence presented at the impeachment hearings.

The memos suggest approaches that committee members could take to show that evidence would support the incrimination of the President in impeachable crimes. Mr. Dixon noted in several of the documents, however, that the evidence "may be interpreted differently by others."

Mr. Dixon's proposed assessments of the evidence included suggestions that President Nixon began taking Dean into his confidence early last year to "shield" the White House lawyer from testifying about his role in the cover-up, that Mr. Nixon joined in development of a second cover-up plan when the first one went awry and that the White House found jobs for Jeb Stuart Magruder in 1973 to encourage the former re-election committee official not to disclose his knowledge of the cover-up.

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The 'Leak' Issue

We think the lady doth protest too much—the lady in this case being a composite of those White House gentlemen who are taking such sudden, horrified offense at the ancient, if not always honorable, practice of leaking to the press. Three of the President's most faithful servants—Ken Clawson, Patrick Buchanan and Gerald Warren—have raised quite a furor on this matter in recent days. Mr. Buchanan expresses his outrage over "malicious leaks out of House Judiciary, seemingly aimed at damaging and destroying in print the reputations of the President and his secretary of state." For purposes of identification, this is the same Patrick Buchanan who, in his capacity as a special presidential consultant, wrote a memorandum to John Ehrlichman in July of 1971 which also had to do with the subject of leaks and with destroying reputations. True, in this memorandum, Mr. Buchanan expressed his reservations about a project subsequently carried forward by the White House and expressly designed to gather and disseminate—which is to say, "leak"—damaging information about Daniel Ellsberg. But it is interesting to note why Mr. Buchanan frowned on the idea. He did not, for example, interpose any ethical or legal arguments against this use of the time and energies of members of the President's staff. Rather, he said that opinion on this issue had been decided and was "not going to be turned around in the public mind by a few well-placed leaks... This is not to argue that the effect is not worthwhile—but that simply we ought not now to start investing major personal resources in the kind of covert operation not likely to yield any major political dividends to the President."

remember that phase in which the President was contemplating the convening of a grand jury to pre-empt the Senate Watergate committee hearings and simultaneously to manufacture an excuse for his subordinates and campaign associates to decline to make further public comment on Watergate matters? Let us refresh your memory on that because it had an interesting angle: Some of the statements made in confidence before the grand jury, it was apparently thought, might in fact look good for the White House if they were made public—so what was to be done about that? The exchange took place between H. R. Haldeman and Mr. Nixon:

H... I was going to say that it might be to our interest to get it out.

P. Well, we could easily do that. Leak out certain stuff. We could pretty much control that.

The examples could be multiplied. The Watergate committee has collected (and in some instances itself leaked) evidence suggesting that the calculated leak was something of a way of life in Mr. Nixon's White House. But the point is fairly simple and it comes in two general parts. The first is that this business of leaking to the press is, as we have noted, an ancient custom: That no one and no political party has a monopoly on it; that it often unfairly wrongs innocent people; and that in this last respect it raises some serious questions well worth serious discussion. The second is that Mr. Buchanan's discussion of it is not serious. His own record and that of the White House he serves demonstrate that his shock is pretty stagey and that the current campaign of which he is an eager foot soldier has all the characteristics of just one more effort to divert public attention from the real Watergate issues.

This is most emphatically not to deny that the calculated leak has become a problem for the House Judiciary Committee—or that it has also become, to some extent, a problem for the press. At the heart of the problem is a collection of pressures, as contradictory as they are intense, that are bearing in upon the work of the Judiciary Committee.

THE WASHINGTON POST.

'First Strike' Threat

The recent Senate vote to develop more accurate and powerful strategic missile warheads is undoubtedly motivated by a desire to assure U.S. security. But the new warheads, which could provide a capability for destroying the bulk of Russia's ICBMs in their underground silos, are more certain to reduce U.S. and world security by making nuclear war likelier than ever.

The nuclear war-fighting capability that the Nixon administration seeks in these and related "counterforce" programs would fundamentally transform U.S. nuclear strategy. The U.S. strategy of stable deterrence heretofore has been based on a secure "second-strike" force, which could survive a surprise Soviet "first strike," then inflict unacceptable damage on the aggressor's industrial and urban centers. Now, President Nixon is seeking weapons that would give him the option of starting a nuclear war, rather than deterring one.

The illusion that the United States and the Soviet Union could fight a strategic nuclear war limited to military targets is doubly dangerous. It would substantially reduce the inhibition against use of nuclear weapons. Furthermore, with millions of civilian casualties unavoidable—regardless of how "clean" and accurate the new weapons may be—rapid escalation into an all-out nuclear exchange would be virtually inevitable. There would be no winners, only losers, in such a nuclear war.

Sen. Thomas McIntyre, D-N.H., who led the fight against the new strategic doctrine,

almost achieved a consensus by focusing on three programs totaling \$17 billion in the \$21.9-billion military procurement authorization bill. He proposed only a delay while renewed efforts are made to reach a second Strategic Arms Limitation Treaty (SALT-2) with Moscow. The failure of this eminently reasonable compromise proposal undoubtedly is due to the Pentagon's argument that the U.S.S.R. is also building a capability for counterforce warfare.

The fact that the Soviet Union, five years after the United States, has developed and begun to test MIRV multiple warhead missiles is now said to justify the change in U.S. policy. On the contrary, American as well as Soviet restraint is essential to achieve a SALT-2 agreement limiting MIRV missiles to levels that would make a first-strike MIRV attempt by either side against the other's land-based missiles unprofitable.

Another chance to debate the issues will come when the Defense Appropriation bill reaches the Senate floor. It should be seized. A major, continuing fight is needed to alert the Congress and the country to the dangers of the qualitative arms race now getting under way.

Leonid Brezhnev, the Soviet leader in advance of Mr. Nixon's trip to Moscow, appeared to be warning of just those dangers when he urged that both the Soviet Union and the United States show maximum restraint on further arms development and reach agreement to prevent the creation of "never-next systems of strategic weapons."

THE NEW YORK TIMES.

International Opinion

Peron in Trouble

Juan Peron has now been back in the presidency for nine months. But the enthusiasm has waned, as has the relief that marked the end of the military regime. Already, the social package has been torpedoed by trades union refusal to accept the wage freeze and further undermined by the necessity to allow price rises. Inflation proceeds apace, stoked by unbridled state expenditure. And although Peron always claimed that terrorism would stop when "the people" (as represented by Peron) achieved power, the realities of daily

life have shown that it was not just the work of opponents of the military hegemony.

Harassed on all fronts, what can Peron do? He cannot count on his apparently large parliamentary majority, for he knows it is based on promises he cannot fulfill. And the precarious financial situation makes it impossible to buy popular support by the distribution of largesse as was successful practice in earlier days. The more threatening the position becomes, the greater will be the temptation for Peron to revert to the traditional methods of dictatorship.

—From the New York Times, June 22, 1974.

In the International Edition

Seventy-Five Years Ago

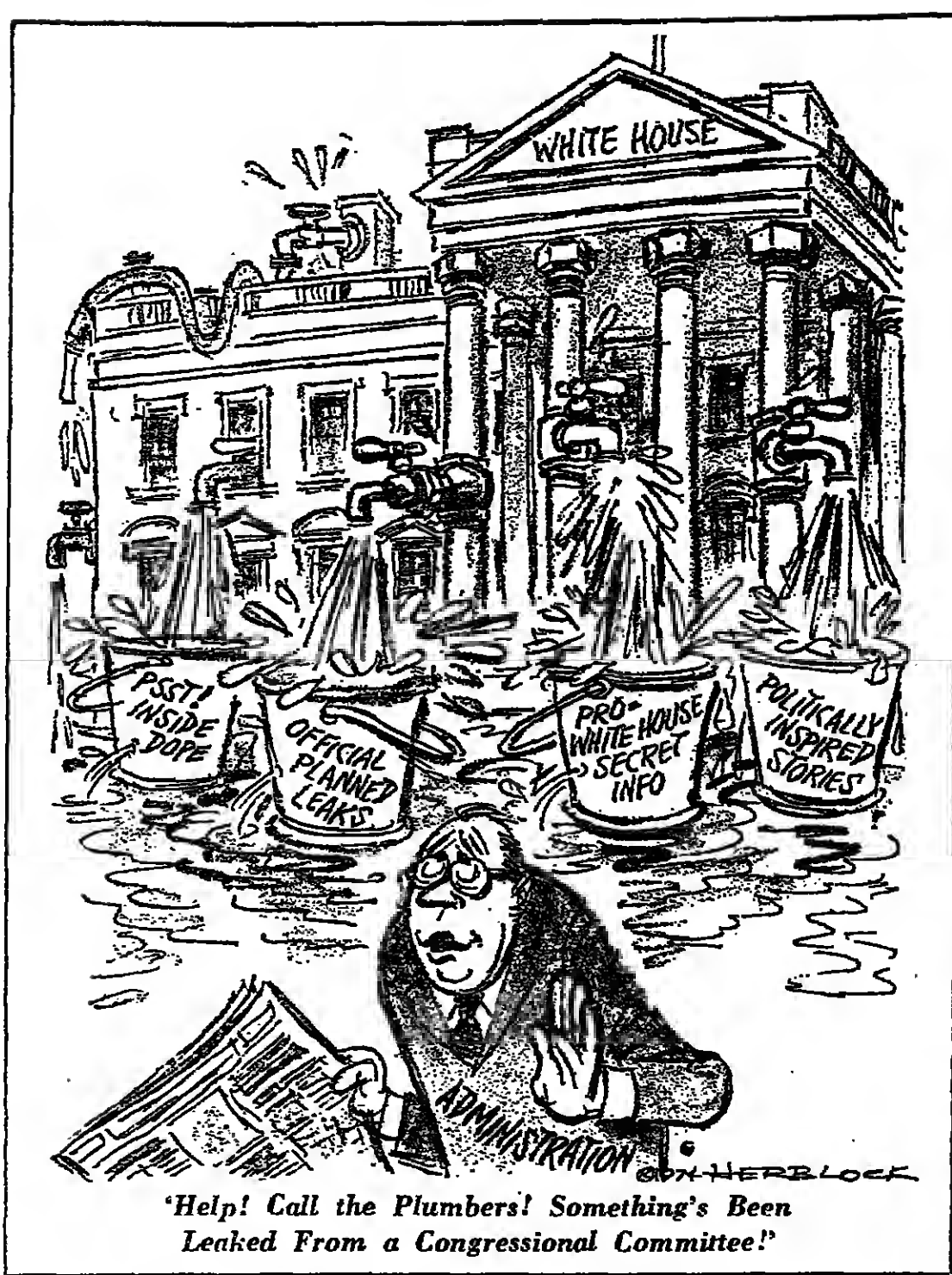
June 23, 1899

LONDON—According to the Daily Mail, the British government has practically decided upon reinforcing the troops at the Cape, to a total increase of 40,000 men. The Afrikaander Bond, owing to the character of the news carried to the Cape from London, is reported to be a less aggressive frame of mind than its leaders now appearing to be more moderate.

Fifty Years Ago

June 23, 1924

PARIS—The French version of the Wallace Brown affair, "Belle Humeur," is the latest picture of the French press. It is a picture of a better but not a happier France than the one which the French press has been painting for the past few years. The French press is now painting a picture of a France which is more moderate.



'Help! Call the Plumbers! Something's Been Leaked From a Congressional Committee!'

In Defense of Leaks

By James Reston

WASHINGTON.—Ever since Adam—or was it Eve?—leaked the news about that tempting apple and other funny business in the Garden of Eden, the human race has been arguing about the wisdom of leaking forbidden news. The latest chapter in this long story is now unfolding again in Washington.

Sen. Barry Goldwater wants the attorney general to prosecute The Washington Post for leaking confidential FBI documents. Pat Buchanan and Ken Clawson of the White House staff, two of the least taps in town, want staff members of the House Judiciary Committee to be punished for leaking anti-Nixon information out of the impeachment proceedings. A dreadful, unending practice, they say, and a lot of people agree with them. It should be noted, however, that nobody proposes the abolition of all leaks—only the leaks they do not like. It all depends on whose basement is flooded. And this brings us to the theme of this epistle, which is that the leak is the safety valve of democracy.

A Refuge

It leaves room for honest dissenters. It is the refuge of conscience. It can be used for good or evil: disclose the murders of Mr. Lee, the secret bombing of Cambodia, the cover-up of Watergate. Or it can be used to disrupt elections, to vilify and destroy the political opposition. It is a powerful, amorphous, and sometimes dangerous instrument, but it should not be destroyed without a little thought.

For example, the President deplores the leak when it is used against him, but it is one of the most effective tools in his own political arsenal and he couldn't get on without it. He is constantly running into situations at home and abroad where he wants the truth out but does not want to make things worse by issuing an official statement confronting his adversaries. So he leaks it through Buchanan or Clawson, or through some embassy abroad to some sympathetic or ambitious reporter. The White House has its "friends list" as well as its "enemies list."

And there is nothing new or wicked in this. In the latest crisis between Washington and Moscow during the Middle East war, when the information here was that the Russians were about to send seven airborne divisions into the Middle East, the President could either have sent an ultimatum to Moscow to pull back, or quietly ordered a worldwide alert of American forces and "allowed" the fact to be leaked to the press. He wisely chose the latter method and got his message across to the Kremlin without a direct challenge.

When Washington and Paris got into an awkward argument over policy and consultation, Secretary of State Henry A. Kissinger can either call a news conference and denounce the French, or both sides can "inspire" articles that make their points clear, and still leave room for maneuver.

As a matter of fact, anybody who has studied or practiced the art of leaking knows that government officials use the leak more than it is used against them, and in most cases reporters are their allies rather than their adversaries. For in many instances, governments are using the leaks to get the embarrassing truth out rather than to keep it in.

The conflict comes when governments try to have it both ways—to use the leak to their own advantage and to suppress and condemn it when it discloses truth they do not like. Or to leak "news" or worse, to invent "news" to destroy their political opponents. See the evidence in the White House Watergate transcripts.

Communist Plumbers

This leaking is a complicated business. The Communists are the best anti-leak plumbers. "Why should freedom of speech and freedom of press be allowed?" Lenin asked in Moscow in 1920. "Why should a government which is doing what it thinks is right allow itself to be criticized? It would not allow opposition by verbal weapons. Ideas are much more fatal than guns. Why should any man be allowed to try a printing press and disseminate pernicious opinions calculated to embarrass the government?"

The answer to this in America, at least, should be obvious, but it is surprising how many people who think they love democracy and hate Lenin seem to agree with this notion that opposition to the ruling authority of the state is somehow subversive and even unpatriotic.

Even the Soviet plumbers cannot stop the leaks. Cannot silence Solzhenitsyn, Zakharov, Pasternak or even Stalin's daughter Svetlana, for the spirit of freedom is eternal, and even in that closed society, truth leaks out.

Obviously, there are times when security information and grand jury information should not be published—and the press has not yet analyzed the difference between being bold and being irresponsible—but it is not the power of the state that is really out of hand.

"It would be in the national interest," Barry Goldwater said.

Letters

Right to Opinion

Unlike Miss Sandra Silva (ET, June 11) I dislike dictatorship, a well-ordered life and warfare. What I do hate is the anti-Fascist bigotry of those campaigning to have her fired from the San Francisco Police Department. There are probably people among them who believe that fighting the American Nazi party is fighting the system held responsible for the death of millions during World War II. But this is nonsense. History never repeats itself.

Miss Silva has indeed a right to her opinions as well as to her job. Only professional mistakes should be taken into account for the firing of a civil servant, never expression of ideas. Of course, restraint in that expression is highly desirable when the civil servant belongs to a department which is at the service of the whole community. But in the heat of the hate campaign facing her, it is a requirement that may be impossible for Miss Silva to meet.

Los Angeles last year elected a black mayor who once served in the Police Department. The election of Mayor Thomas Bradley was hailed by many as a victory for democracy. It was indeed. If Miss Silva could keep her job, it would be another.

JEAN-MARIE LALLAU, Wattignies, France.

"to immediately institute criminal prosecutions against The Washington Post" for publishing confidential government documents. But would it really?

For if nobody had talked against the government's policies and actions in the last few years, we would not have heard about the horrors in Vietnam, the secret bombings of Cambodia, the espionage and sabotage of the 1972 presidential campaign, and all the lies and fiddling of the President's men.

Always somebody had to talk out in opposition or in conscience, and leak to the press, usually against government orders. It is an untidy process, often subject to misuse, but it shouldn't be knocked or destroyed without a little care. The President needs it as well as the opposition.

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Italy's Current Opening to Despair

By C. L. Sulzberger

RICHMOND, Va.—The present Italian crisis has been the worst since World War II. The economy remains on the brink of collapse; the system of law and order has broken down; the curious formula of administering the state with a nongovernment or, in fact, virtually without government, has reached a dead end; and the tentative groping for compromise between the two main ideological groups, Catholics and Communists, has ceased.

The result is a continuing possibility of financial disaster and social disorder with a lame-duck regime floundering. It is unlikely the population would ever tolerate a Communist regime, even if legally produced. It is equally unlikely it would accept a dictatorship, either Fascist or military, nor is any compromise such as Italian Gaullism possible. Italy has no De Gaulle.

Since the early 1960s Italy has mostly been governed (in theory if not in fact) under the formula of an "opening to the left," meaning a coalition of Christian Democrats, Socialists and Social Democrats, supported by the small Republican party—like the group now hanging on by its teeth. This mixture has changed from time to time and the Christian Democrats themselves are more of a coalition than a party, ranging from left-wing to right-wing factions.

Basics Changed

The system managed so long as Western prosperity reigned, nurturing Italy's economic recovery, so long as the United States made known it would oppose any Communist takeover, and so long as the Vatican urged voters to oppose its own great enemy, the Kremlin.

But all these basics changed. U.S. policy softened; a national reluctance to assume commitments followed the Vietnam experience. Under Pope John XXIII a new Vatican attitude toward Communism developed. Then, exaggerated by the energy crisis, Western European prosperity dissolved into inflation and fear.

At the same time, a less known but fascinating Italian experiment further to the left also ended. This was a proposal gradually evolved by Enrico Berlinguer, secretary-general of the Italian Communist

party, to work out a dramatic compromise with Italy's Catholics. The idea was developed by Berlinguer following hints of encouragement from Pope John and after a dialogue between Cardinal Montini and Berlinguer started between some groups in France, West Germany, certain East European lands and Italy. Berlinguer visited Warsaw last December and stressed his effort to arrange broad agreement among Communists, Socialists and Catholics. An Italian Communist, Professor Lombardo-Radice, described the idea as a trend toward "open Marxism" and "pluralist Christianity."

At least willing to explore this concept, the Vatican created a "Secretariat for Nonbelievers" headed by Cardinal Koenig of Vienna and urged lower Catholic hierarchies to emulate its approach. But Soviet seizure of Czechoslovakia in 1968 and resulting disillusion with Moscow by foreign leftists temporarily set back this movement. Orthodox Communists began to attack "the illusion that there could be an ideological convergence between Christianity and Marxism."

Once the shock of Czechoslovakia had worn off, the Vatican secretariat renewed tentative approaches to some Communists and acknowledged atheism and secularism as a contemporary "reality." Archbishop Cossato, chief Vatican diplomat, spoke of broadening the dialogue in 1972. As a result, Berlinguer—who typifies the modern Italian Communist viceroy of well-dressed moderation—renewed his own efforts to produce a fruitful dialogue. Moreover, after the election of the Christian Democrats in 1972, Berlinguer concluded that a 51 percent majority truly leftist government could keep power in Italy.

Berlinguer's solution—at so he indicated—remained "historic compromise" between the leading Italian political forces, the Catholics and Communists. The obvious idea was to prepare an "opening-still-further-left" once the present stalemated system disintegrated.

But last month this seemingly was doomed. Italy, by conservatives and prodemocrats, Amintore Fanfani, the ambulatory premier (who has once advocated a liberal approach), the Papacy encourage Italian voters to demand referendum on annulling divorce law previously enacted. This move failed—but at cost of dividing the Christian Democratic center from its genuine leftists among its portents and clearly waiting party off from even tentative talks with Communist gradus.

So now Italy appears to come to a chasm across which only the narrowest bridge exists. While political leaders look glumly at the latest renege agreement, it seems reasonable again toward the only real opening—chaos and despair.

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But Destination Is Uncertain Ford Holds the Road

By David S. Broder

NEWBURGH, N.Y.—The regulars on Vice-President Ford's plane—both staff members and press—are keeping two sets of statistics.

One is the mileage he has traveled since becoming what he invariably refers to as "the nation's first instant Vice-President" on Dec. 6. That is approaching 100,000 miles with this weekend's journey to California.

The other is the count of the number of times he has told "the telephone story"—a homely, amusing and mildly self-assertive account of how he came to tell the President, who was about to offer him his place in history, to "call me back on the other line."

The telephone story has been told, by most estimates, about 200 times—or once in almost every speech Ford has made in the last six months.

Taken together, the two sets of statistics tell you almost everything you need to know about Jerry Ford's public life these days: he's traveling like the wind and not saying much of anything.

Elusive and Vague

There are those who say that, if Ford just stays active, elusive and vague he'll move himself right into the White House in 3 1/2 years—or less.

But a reporter who joined the Ford caravan briefly, for a 10-hour jaunt last weekend through three upstate New York Republican congressional districts, found the regularly oddly divided on the wisdom of this course. Aching with boredom, some in the Ford entourage think their man is starting to sound like a broken record—a Jerry One-Note who is eroding his own stock of goodwill with his platitudinous peregrinations.

The opposite view is that Ford is demonstrating to these audiences the same kind of open, accessible manner and personality which made him so popular in Washington; that the goodwill of the public and the political gratitude of those for whom he's appearing will stand him in good stead whether he inherits the presidency or decides to compete for it.

No definitive answers to this debate appeared during a single short trip, but there's reason to think the "Jerry stay home" contingent may not have the best of the argument.

There's no question that Ford's basic political speech—the one that he will inflict on hundreds of Republican audiences this fall—is excruciatingly small-bore.

As rendered on the stump in New York, the Ford spiel has three ill-fitting parts. You should vote Republican, he says, to avoid a "veto-proof" Congress that would give the Democrats "legislative dictatorship" in Washington. That's a fair rhetorical ploy, but the way Ford renders it, you somehow sense that he has

trouble himself conjuring a picture of little Carl Albert, tyrannical, the bureaucratic, mild-mannered Mike Mansfield roughed over the septon of powers.

His second pitch is to Republican to save "new federalism," but as Bill Safire pointed out in his White House "new federalism" is a slogan makes the eyes glaze over.

His third and final pitch is vote Republican to support H. Kissinger and Richard Nixon—the greatest secretary of state and greatest president for our history—against those who are trying to destroy them by nungendo and leaks.

It was this pitch that got loudest cheers last weekend. It is one that some of his listeners consider most dangerous to him in the long run—for it ties to the fate of the Nixon administration, rather than emphasizing his independence from its scandals problems.

But all this argument about speeches may really miss point. What sticks in people's minds, I would guess, are Ford's short, wooden talks, his long, leisurely visits.

Ford is unlike Spiro Agnew, liked to make his speech get out. With Ford, the speech seems a necessary preliminary mulling, and he mingles. When I asked the three congressmen for whom he appeared Saturday what kind of comment they had heard after he left, they all emphasized the personal touch: "He did an extremely good job of getting around." "Per were thrilled to meet him." "I told me he was such a wa friendly guy."

Advice Rejected

The publicity in the local paper—and it was heavy—emphasized the accessibility of the Vice-President. Ford himself tells us: he has rejected advice to slow his travels, because he doesn't want to hear only "strident voices on the banks of the Potomac."

There are, of course, strident voices everywhere. At Stewart Airport here, the crowd seemed almost evenly split between carrying "Stand Up for Nixon" banners and those whose message was, "Ford: Front Man for Nixon Mob."

A radio reporter who jawn his microphone in to pick Ford's comments as he walked the fence was amused to hear Vice-President saying, with a face blandness, to both friend and foe, "Hi, how are you? Nice see you!"

"I don't think he even he what they're shouting at in the reporter said. What struck others at Newburgh was that the Middle High School band was playing "Hail to the Chief" for Ford. Maybe that's what he hears."

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Artificial Flavors, Colors

U.S. Study Will Test Claims Of Danger in Food Additives

By Thomas Grubisich

WASHINGTON, June 21 (UPI)—A Boston psychologist has been awarded a \$50,000 U.S. government grant to test a controversial claim that artificial flavors of colors in food can cause hyperactivity, an increasingly agitated behavioral disorder affecting young children.

Dr. Keith Conners, director of

the Human Resource Institute of Boston and an associate professor of psychology at Harvard University, said: "We should have results in six months."

If the study validates the claims of Dr. Ben Feingold that artificial additives can trigger the symptoms of hyperactivity, it would, Dr. Conners said, "have revolutionary effects on the food industry and the drug industry."

The food industry would be hard hit because many foods contain artificial additives. The drug industry would feel an impact, because drugs are often prescribed for hyperactivity.

Artificial additives are a proportionately small but major ingredient in most foods commonly eaten by American children—cereals, various snacks and desserts, and beverages. The additives are used extensively by the food industry because they have reduced reliance on natural foods, like some fruits, that are expensive and not widely available.

Published Last Year

After Dr. Feingold's claims were published last year, they were attacked by the Grocery Manufacturers of America, which represents big food companies. The GMA critique said flatly: "We know of no data which relate behavioral disturbances directly to the ingestion of food additives." It said Dr. Feingold's study was unscientific and subjective.

Although the GMA has not, so far, made any comment on the design of the Conners study, its criteria for any new investigation call for more elaborate controls.

The GMA criteria call for four diet groups to be studied—one with no synthetic colors and flavors, a second with another dietary modification, a third with no modification but clinical monitoring and a fourth with no modification but given a placebo drug.

Dr. Conners said in an interview: "I don't see how the third group would aid the study, and as for the fourth group, it would be interesting, but I don't know that we need it at this point. You can't answer all questions in one study."

Dr. Conners will study two groups—one on an additive-free diet and another on a diet with some restrictions. They will switch diets after a month.

2d Arab Student Freed in Germany

SAARBRUECKEN, West Germany, June 21 (UPI)—Police yesterday released Palestinian Ibrahim Bassalah, 27, the second of two Arab students arrested last week on suspicion of planning terrorist acts during the World Cup soccer championship games.

Mr. Bassalah, arrested in Saarbruecken June 13 on suspicion of belonging to the Palestinian "Black September" guerrilla group, was released after new evidence indicated that there may not have been sufficient grounds for detention, the local attorney-general's office said today. The other student, Riad Shuray, 23, a Jordanian, arrested on the same day in Heidelberg, was released yesterday.

Soviet Caviar Joins List of Synthetic Food

MOSCOW, June 21 (Reuters)—Synthetic caviar which the Russians claim tastes just like the real thing—but is much more nutritious—is the latest product from the Soviet production lines.

It is based on casein, a by-product of milk processing. A conveyor belt carries pellets of casein through a series of rats containing, among other things, tea. Finally, artificial color, flavor and aroma are added.

"In taste and appearance, the artificial caviar cannot be distinguished from the natural product (sturgeon roe)," the Novosti news agency said. "But it is a great deal more nutritious than the latter: it contains more vitamins, proteins, amino-acids and other substances essential to the organism."

Dr. Alfred Mirsky Dies; Pioneer in Genetic Research

NEW YORK, June 21 (NYT)—Dr. Alfred E. Mirsky, 73, a former Rockefeller University chemist who nearly 30 years ago found methods to isolate the genetic material of animal cells, died here yesterday.

He retired in 1971 after 44 years at the university. Dr. Mirsky's work on animal genetic material in the 1940s preceded the discovery by other Rockefeller University scientists, led by the late Dr. Oswald Avery, that the chemical DNA contained the genes of the disease-causing organism called pneumococcus.

The discoveries were among the most important in launching the modern branch of life science called molecular biology.

Malcolm E. Peabody

NEW YORK, June 21 (NYT)—The Right Rev. Malcolm E. Peabody, who headed the Episcopal diocese of Central New York from 1942 until his retirement in 1960, died yesterday in Boston.

Bishop Peabody served from 1938 to 1942 as bishop coadjutor of Central New York. He was former president of the Protestant Episcopal Synod of New York and New Jersey and had served on the Harvard Board of Overseas and as board chairman of the Manhattan School.

U.S., Europe Plan Space Mission to Explore Jupiter

MOUNTAIN VIEW, Calif., June 21 (AP)—European and U.S. space scientists are planning the world's first international mission to explore another planet.

Their goal is to place an unmanned spacecraft in orbit around Jupiter and perhaps send probes into its dense and poisonous atmosphere.

The planning began this week at Ames Research Center here, where nine scientists met for 10 days under the leadership of S.I. Rasool, deputy director of planetary programs for the National Aeronautics and Space Administration.

Mr. Rasool told newsmen Wednesday that the launch is tentatively scheduled for 1980. He said the \$80-million cost would be shared equally between the United States and 12 members of the European Space Research organization, he said.

CHURCH SERVICES

FRANCE-PARIS

AMERICAN CATHEDRAL
Holy Communion: 8:30 a.m., 10:30 a.m., 8 p.m.
Sunday School: 10:30 a.m.

SUNDAY SERVICE & SERMON: 10:45

Dean Sturgis L. Middle
The Very Rev. Sturgis L. Middle, D.D., Dean, Canon Thomas W. Norman, Director of Music, Organist—All warmly welcomed.

—23 Ave. George-V, Paris-16.

THE AMERICAN CHURCH, 65 Quai

Orsay, Paris-16 (Metro: Invalides or Invalides-Orsay). Bus No. 68 stops at St-Jacques. Church: 10 a.m. Worship service: 11 a.m. Dr. Edwin B. Tuller, pastor. (Interdenominational—International.)

ST. GEORGE'S ANGLICAN CHURCH

8, Avenue de la République (106) Tel.: 720-21 Sunday Masses 8:30 & 10:30 a.m.

Consulting Firm Used by CIA Gets Unwelcome Publicity

By Laurence Stern

WASHINGTON, June 21 (UPI)—At first glance, the interior of the office on the fourth floor of the Van Ness Shopping Center office building looks like the many dozens of private consulting firms scattered in their smartly appointed quarters throughout Washington.

The next lettering on the door says "Psychological Assessments Associates, Inc." Admission is gained by ringing a buzzer and waiting for someone to unlock from inside.

But Walter Pasternak, the current operating head of Psychological Assessments, is not anxious to see unscheduled visitors. "We have nothing to say," he told a visiting reporter in terse angry tones, moving immediately toward the door.

The reason for Mr. Pasternak's reticence is that Psychological Assessments is unlike most private businesses. From the time of its incorporation in 1965, its principal source of funding



TRAUMATIZED—Little One, a three-year-old poodle, rests in the arms of Pat Frances, a secretary, after the dog's owners won a \$9,000 judgment against a pet spa in Fort Lauderdale, Fla. The suit said the dog was severely traumatized while being trimmed last year at the spa and has become retarded as a result.

Role of Multinational Firms Divides 40-Nation Conference

MEXICO CITY, June 21 (UPI)—Forty nations meeting here to draft a proposed world economic charter are deeply divided over definition of the proper role of multinational corporations in developing countries.

The main division is between developing nations, which claim full authority to control the activities of multinational corporations in their territory, and industrialized countries, which insist that these enterprises also enjoy certain absolute rights.

Within each bloc, however, there are also different shades of opinion, with the United States defending the multinational corporations "more forcefully than Western Europe, and with Yugoslavia and India emerging as the most outspoken members of the 22-nation Third World group."

The so-called Economic Charter of the Rights and Duties of States, which was proposed by Mexico in 1972, is intended to establish a code of economic behavior to guide relations between rich and poor countries.

A working group of the United Nations Conference on Trade and Development, currently holding its fourth session here, hopes to complete a final draft of the charter for presentation to the UN General Assembly in New York in September.

But diplomatic sources expressed doubt that a consensus would be reached on several key issues during the current three-week session. The working group, therefore, may have to meet again next year. The meeting ends next Friday.

One of the trickiest questions is whether the final charter should be a binding document or merely a recommendation without the force of international law. Sources said the United States was firmly opposed to a binding document and would

simply refrain from ratifying any treaty-like economic charter. But many developing nations feel that the charter would be meaningless—"forgotten as soon as it is signed," in the words of one diplomat—unless it were binding.

Both developed and developing nations agree that every state has the right to regulate and supervise multinational corporations to insure that they comply with its laws.

However, the developing nations feel that the countries where multinational corporations have their headquarters—the industrialized world—have "the duty" to help developing nations control these companies.

In a counterproposal presented by U.S. delegate Stephen Schwab, the concept of "duty" was watered down to suggest that industrialized nations should cooperate "in good faith" to help resolve legal disputes between developing countries and multinational corporations.

The United States is also seeking acceptance of a controversial principle that developing nations owe certain "duties" to multinational corporations.

Council in Yemen Names a Premier

SANAA, Yemen, June 21 (Reuters)—Yemen's new Command Council has issued a provisional constitution and called on former Premier Mohsin al-Alimi to form a new council of ministers.

The 10-member Command Council, composed of military officers and led by Col. Ibrahim al-Hamidi, took control of Yemen in a bloodless coup last Thursday. The regime broadcast a resolution Wednesday setting out terms of the provisional constitution, which says that the Command Council will be in charge of all executive and legislative power.

American pilots during the Korean war. The CIA began financing the research work first through the Society for the Investigation of Human Ecology, with which Dr. Wolfe was associated, and then through the Human Ecology Fund, according to Mr. Gittinger.

Because of a controversy over CIA financing of private organizations in the mid-1960s, the Human Ecology Fund was abandoned.

Folded Quietly
The fund folded quietly after Mr. Gittinger had moved to Washington to start Psychological Assessments Services, Inc.

Current programs by PAA, Mr. Gittinger said, are strongly pointed toward Soviet, Chinese and Arab cultural training. The commercial side of PAA's activities—screening foreign employees of American firms—has shrunk in recent years, making the company almost wholly dependent on its CIA contracts.

It was understood that the new operating group is seeking to divest itself of the CIA financial sponsorship.

The beginning of the psychological assessment program, Mr. Gittinger related, goes back to the early 1950s when former CIA director Allen Dulles sought neurological treatment for his son, who was seriously injured in Korea, from a New York neurologist, Dr. Harold Wolfe.

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As Relations Deteriorate

Hanoi Seen Thwarting Cambodian Rebels

By Philip McComb

SAIGON, June 21 (UPI)—North Vietnam is trying to prevent its Khmer Rouge insurgent allies in Cambodia from winning the war there, according to experts here on the Hanoi political scene.

The policy represents a change from all-out support for victory and is the result of steadily deteriorating relations between the Communist allies.

The prevailing view in North Vietnam's ruling Politburo is that an insurgent government in Phnom Penh now would be strongly anti-Hanoi and would remain a frustrating obstacle to a long-range goal of hegemony over all Indochina.

"North Vietnam wants an indeterminate situation, no last-out winner," a leading Hanoi analyst said. "They prefer to have the war bubble along. What they particularly do not want is the collapse of the Lon Nol government."

Preters to Wait

Instead, Hanoi would prefer to wait "until events and personalities begin to fall into place in its favor," before making any definitive move to achieve a clear-cut victory in Phnom Penh.

It is not clear what effect Hanoi's relatively new policy might have on U.S. interests in Indochina, although it would appear to ease the strain on the United States in its support of the Lon Nol government.

The policy fits well into Hanoi's overall policy, which places as its main emphasis on the victory in South Vietnam.

Today, nearly 17 months after the Paris cease-fire agreement, Hanoi faces an economic and political problem in trying to put together a mix of military, diplomatic and political strategies that will lead to victory in the South.

No Offensive Seen

The Hanoi experts note that the current strength of the Saigon government plus the problems of economic reconstruction, in North Vietnam argue against a new Communist general offensive for at least another year.

They think Hanoi has been "experimenting" in trying to put together a victory strategy, and has little time or resources now to waste on Cambodia or in Laos where things are going well for them in any case as the Pathet Lao gains weight in the new Laotian government.

Hanoi has been the main supporter and supplier of weapons and ammunition to the Khmer Rouge insurgent armies during the four-year-old war in Cambodia.

While North Vietnamese combat units no longer fight against the Lon Nol government, there are still more than 5,000 North Vietnamese advisers working with insurgent armies in rear areas.

Racial and cultural differences between Vietnamese and Cambodians have long accounted for some strains between the allies, but Hanoi watchers think that sometime during the last year and a half things got so bad that Hanoi adopted its new no-win policy with respect to the insurgents.

It's a natural exacerbation of

Tornadoes Hit Indiana
LOWELL, Ind., June 21 (AP)—Tornadoes and high winds ripped through northern Indiana last night, injuring about 20 persons.

SAIGON, June 21 (UPI)—A group of thousands of foreign medical graduates practicing without licenses and without supervision in the United States almost equalled the number of doctors who graduated from American medical schools.

About 6,000 Americans—a record—are now studying medicine abroad. There are 50,716 students enrolled in American medical schools. But few Americans were found in the "medical underground" because the bulk of them have not yet graduated from foreign medical schools.

Foreign medical graduates must pass an examination given by the Educational Council for Foreign Medical Graduates to qualify to take another set of examinations to get a state medical license. The precise number of foreign-trained doctors practicing without a license or examination certification is unknown.

10,000 Unlicensed
American Medical Association records cited by the study show at least 10,000 unlicensed physicians working in the health field in 1971. Dr. Henry Mason of the AMA, characterizing these people as "not quite physicians," has attributed the problem to "euphoria" in our immigration laws and to the fact that some states grant temporary licenses to untrained doctors working in state hospitals.

Because they hold degrees, they are appropriately called "doctors." But their patients might not know the doctor is unlicensed and practicing medicine without direct supervision by a U.S.-licensed colleague.

The senior author of the new study, Dr. Robert Weiss of Harvard, said in an interview that the medical underground consists of MDs lacking American credentials who, although they are called "doctors," are not called "doctors" by their patients.

Some do surgery in the operating room or in the emergency ward. Others give anesthesia. Many practice psychiatry. Several read X-rays. A few examine blood specimens to distinguish between cancers and benign tumors.

These doctors generally are Asians, usually from the Philippines or India, working for less pay than American doctors in a city of more than 100,000 population in one of eight states—New York, Illinois, California, Florida, Ohio, Massachusetts, Michigan and New Jersey, the study noted.

The report also rekindles the controversy about this country's growing reliance on graduates of foreign schools to treat patients. Last year the number of foreign medical graduates licensed in the United States almost equalled the number of doctors who graduated from American medical schools.

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SAIGON, June 21 (UPI)—South Vietnam and the Viet Cong today failed to resolve the issue of diplomatic privileges demanded by the Communists, thereby stalling the armistice talks for the third day, the Saigon military command reported.

"The only conclusion reached by the two sides was that we will meet again next Tuesday," command spokesman Lt. Col. Le Trung Hien said of the 105-minute session, which took place at the Joint Military Commission.

The Viet Cong's Provisional Revolutionary Government has insisted that its delegation be considered a diplomatic mission before it would discuss the cease-fire, Col. Hien said.

South Vietnam has rejected the demand in two previous meetings, saying that the privileges were already restored to the Viet Cong. Saigon has refused, however, to extend diplomatic recognition to the Viet Cong.

The privileges extended to the Communist delegation include use of telephone lines with the press, a weekly news conference to be held at Tan Son Nhut Air Base and liaison flights by helicopters to the Viet Cong de facto capital at Loc Ninh, 75 miles north of Saigon.

On the battlefield, the command said that Communist troops violated the cease-fire agreement 108 times in the 24 hours ending at dawn today.

Communist forces yesterday stormed into two hamlets in Binh Son District, Quang Ngai Province, 318 miles northeast of Saigon, and lobbed hand grenades into civilian homes, command spokesman said.

They killed three persons and wounded eight, the spokesman said. In addition 68 homes were destroyed.

In Cambodia, the Associated Press reported that advance units of a 10,000-man government column pushing on from the recaptured river town of Kompong Luong, north of Phnom Penh, were halted today by heavy artillery barrages.

No Survivors
SAIGON, June 21 (AP)—The Saigon military command said today that there were no survivors from a North Vietnamese landing craft sunk yesterday off the coast just below the Demilitarized Zone.

Col. Hien said that South Vietnamese Navy frogmen found eight to 10 bodies, some inside the craft.

Mail Dispute Settled
At Centers in London
LONDON, June 21 (UPI)—Postal workers began tackling a backlog of 3.2 million letters yesterday after settlement of a labor dispute. A Post Office spokesman said. He said it would be "at least a week, probably longer," before the backlog was cleared.

The mail piled up during an overtime ban and slowdown at central London sorting offices, which began in February. In the capital's busiest districts, letters normally delivered overnight were taking up to eight weeks to arrive.

Death Penalty in S.C.
COLUMBIA, S.C., June 21 (AP)—The South Carolina legislature voted yesterday to restore the death penalty for premeditated murder.

ROME ALTA MODA

July 14-20, 1974

The Italian High Fashion Collections Fall-Winter 1974-75

LADIES' FASHION:

Balestra, Borocco, Biki, Brugnali, Capucci, Centinaro, Di Lazzaro, Fobiani, France Galitzine, Loncetti, Laug, Martieri, Mila Shon, Ognibene Zendmann, Riva, Sanlorenzo, Sarri, Tito Rossi, Tiziani, Volentino, Zingone.

FURS:

Assunta, Bin, Fendi, Ironte, Melegari & Costa, Melchiorri, Melloni, Naldoni, Perodi, Pellegrini, Ripa, Soldano, Tivoli, Viscardi.

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KAKO III
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The ultimate in high speed luxury yachts. Custom, sophisticated, comfortable and fast. One, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-four, twenty-five, twenty-six, twenty-seven, twenty-eight, twenty-nine, thirty, thirty-one, thirty-two, thirty-three, thirty-four, thirty-five, thirty-six, thirty-seven, thirty-eight, thirty-nine, forty, forty-one, forty-two, forty-three, forty-four, forty-five, forty-six, forty-seven, forty-eight, forty-nine, fifty, fifty-one, fifty-two, fifty-three, fifty-four, fifty-five, fifty-six, fifty-seven, fifty-eight, fifty-nine, sixty, sixty-one, sixty-two, sixty-three, sixty-four, sixty-five, sixty-six, sixty-seven, sixty-eight, sixty-nine, seventy, seventy-one, seventy-two, seventy-three, seventy-four, seventy-five, seventy-six, seventy-seven, seventy-eight, seventy-nine, eighty, eighty-one, eighty-two, eighty-three, eighty-four, eighty-five, eighty-six, eighty-seven, eighty-eight, eighty-nine, ninety, ninety-one, ninety-two, ninety-three, ninety-four, ninety-five, ninety-six, ninety-seven, ninety-eight, ninety-nine, one hundred, one hundred and one, one hundred and two, one hundred and three, one hundred and four, one hundred and five, one hundred and six, one hundred and seven, one hundred and eight, one hundred and nine, one hundred and ten, one hundred and eleven, one hundred and twelve, one hundred and thirteen, one hundred and fourteen, one hundred and fifteen, one hundred and sixteen, one hundred and seventeen, one hundred and eighteen, one hundred and nineteen, one hundred and twenty, one hundred and twenty-one, one hundred and twenty-two, one hundred

1974- Stocks and Bonds	High	Low	High	Low	High	Low	High	Low	High	1974- Stocks and Bonds	High	Low	High	Low	High	Low	High	Low	High	1974- Stocks and Bonds	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
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880	878	882	880	884	882	886	884	888	886	890	888	892	890	894	892	896	894	898	896	900	898	902	900	904	902	906	904	910	908	912	910	914	912	916	914	920	918	
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Steel Exports By Europe To U.S. Rise

Despite Higher Price
Up to 30 Percent

By Clyde H. Farnsworth

PARIS, June 21 (AP)—Europe is selling more steel than before in the United States, prices 20 to 30 percent above

measured American levels, according to industry officials in Paris.

A spokesman for the French Federation said that in the five months of this year sales to the United States and Canada are 25 percent above a year ago. Similar increases were reported by Belgian and West German industry groups.

A shortage of American production capacity and strong demand for oil-related steel products for such things as drilling rigs, tanks for oil storage and pipelines are responsible for increased sales in the United States, European officials said.

According to the officials, American users are turning to steel because they can get it faster. More rapid deliveries are said to be worth the premium.

Although auto makers have rejected their demand in the United States, as in most other industrial markets, demand for oil-related steel has more than made up the difference.

Freight Cars Needed

Steel is also being used by the railroads. The higher cost of oil has led to some diversion of freight traffic from roads to the rails, but there are not enough freight cars to meet the demand, European officials said.

They emphasize that their American sales are still within the limits arranged by foreign steel companies and the State Department, which have allowed for an annual growth rate on exports of 3.5 percent. The quota this year for the European Common Market is 7.5 million tons of steel.

The arrangements were designed to protect the American steel industry from the competition of Western Europe and Japan. But since this protection American steel makers have not been able to increase their capacity sufficiently to meet domestic demand.

U.S. Output Off

According to figures of the International Iron and Steel Institute, production in the United States in the first five months of 1974, at 56.5 million tons, is down 1.2 percent from the 57.3 million tons of the same period in 1973.

Output in the Common Market, however, was up 12 percent in the first five months, while in Japan it rose 17.7 percent.

European officials said that some Japanese exporters have been rejected to China and South Korea, where demand is also high.

Steel capacity has been expanding much faster in Europe than in the United States. In France, for instance, some eight million tons of new capacity has been added in the last half-dozen years.

U.K. Changes

Tax Plan

LONDON, June 21 (AP)—Britain's Labor government moved down today on plans to raise new taxes against foreign residents.

The government had been under heavy pressure from foreign firms, who threatened to move their offices elsewhere in Europe if the taxes went through. Rich individuals, including American billionaire Paul Getty, had threatened to leave.

Mr. Barnett, chief secretary to the British Treasury, announced that the government is introducing amendments to the tax proposals now before Parliament. The effect of the proposals would be to cut down the new taxes on foreign earnings.

Mr. Barnett said: "It has never been the intention of the government to drive foreigners out of the business and cultural life of this country."



James Finke



Joseph Hogan

PEOPLE IN BUSINESS

General Electric has appointed James Finke general manager of the international operation of its medical systems division. He will have offices in Brussels and in the division's headquarters in Waukegan, Wis. Mr. Finke has been managing director in Europe for the communications division of Motorola, Inc., since 1970.

Joseph Hogan has been named staff vice-president, international distributions and services, of RCA Corp. He was formerly staff vice-president, marketing for Europe, the Middle East and Africa and was also managing director of RCA's Geneva office.

Phillips Petroleum Co. Europe-Africa has appointed four new vice-presidents to its Brussels-based chemical division. They are: Jim Kerner, vice-president polymers; Warren Hall, vice-president carbon black; John Kavanagh, vice-president chemicals and

development; and John McIntire, vice-president planning and budgets.

Chase Manhattan Bank has appointed Gordon Bradford managing director of its subsidiary, Chase Manhattan Bank Luxembourg, S.A. He was formerly a vice-president and international funding officer in Chase's New York International department.

James Peterson has been promoted to regional vice-president of Middle West Service Co., responsible for the company's business in Europe, he will also direct the Central and South African offices' activities.

Medial SA Geneva has named Charles Ray Rivet director general for Switzerland and world operations. He was previously director of operations Europe and Africa for Ayerst International in New York. Mr. Rivet will be based in Geneva.

U.S. Orders For Durables Increase 6%

But Gain in Month Due Largely to Inflation

WASHINGTON, June 21 (AP)—New orders for durable goods climbed 5.9 percent in May, largely due to surging inflation.

Durable-goods bookings last month advanced \$2.61 billion to a seasonally-adjusted \$46.73 billion from \$44.12 billion in April, when bookings rose 5.1 percent. The May increase was the biggest in about 2 1/2 years, a department official said.

Inflation was a principal factor for last month's sharp jump in orders as the end to the Nixon administration's price controls program triggered a price explosion, especially in the primary metals sector.

Surge in Metals

Confirming that, orders for primary metals including steel—surged 20.4 percent to an adjusted \$9.94 billion from \$7.51 billion in April, when bookings rose 8.4 percent.

Also expanding were orders for machinery, up 4.6 percent, transportation equipment, up 2.4 percent, household durable goods, up 7.4 percent and capital goods, up 3.4 percent.

Shipments soared last month to an adjusted \$42.81 billion, up 3.2 percent from April's \$41.23 billion. The increase was the largest since last October.

FINANCIAL NEWS AND NOTES

U.K. Firm Talks With Bankers

Court Line Ltd., whose shares have been suspended from trading at its request, says discussions with its bankers and with various authorities "are proceeding actively in a sympathetic and positive spirit." Court Line's shares plunged on the London Stock Exchange yesterday amid rumors concerning its financial position. They closed at 13 pence, down 10, after falling as low as 5. Their 1974 high is 58. Court Line says it asked for the suspension of its share listing because of the recent movement in the share price and the wide publicity this has attracted. It says its discussions with its bankers, the Department of Trade, the Department of Industry and the Civil Aviation Authority will take a few days. The board then proposes to make a detailed statement with a view to the share listing being restored. Court Line is Britain's largest holiday tour operator. It owns shipping and shipbuilders and Court Line Aviation, which carried two million passengers last year.

Shields and Model, Roland to Merge

Shields & Co. and Model, Roland & Co. have agreed to merge, forming a successor firm, Shields Model Roland Inc. The merger, scheduled for July 31, 1974, is subject to shareholder approval of both firms and also approval of various regulatory bodies. It is expected that the firm will have a total capital of approximately \$27 million, with \$17 million in equity and

\$10 million in subordinated debt. An affiliate of the Banca Commerciale Italiana group, at present a principal shareholder of Model, Roland, will continue as a shareholder in the successor firm.

Krupp Takes Over Heinrich Koppers

Fried. Krupp GmbH has concluded an agreement to take over Heinrich Koppers GmbH, an Essen manufacturer of industrial equipment. Krupp would not disclose what it paid the owners of the closely-held company, which had turnover in 1973 of about 300 million marks. Published records list the owners of Koppers as the Koppers family of Essen, with 50 percent, and Helga Chudacoff, of Switzerland, with 50 percent. Koppers will be run under its present name, and the jobs of its 2,850 employees are secure, Krupp said. Koppers makes equipment for coking coal gasification, refining, chemical production, environment protection and factory automation.

Washington Post Eyes N.J. Paper

Washington Post Co. has agreed in principle to purchase Trenton Times Corp., which publishes the Trenton (New Jersey) Evening Times and Sunday Times-Advertiser, for \$18 million in cash and notes. Completion of the transaction is subject to a definitive purchase agreement, approval of the board of directors of the Washington Post Co. and the trustees of the James Kerney Trust and to certain other conditions.

As Cost of Short-Term Funds Gains

2 N.Y. Banks Raise Loan Rate to 11.5%

NEW YORK, June 21 (AP)—Two large New York City banks raised their prime lending rates today to 11.5 percent from 11.25 percent.

First National City Bank and Morgan Guaranty Trust Co., the second and fifth largest commercial banks in the country, thus

moved their prime rates in line with that prevailing at other major banks.

The prime rate, the minimum borrowing fee banks charge their most credit-worthy customers, is determined by the level of corporate borrowings and the cost of short-term funds to the banks.

Last week, business borrowings and the cost of short-term funds reported by the Federal Reserve reached high levels, indicating the higher prime rates were due.

Commercial and industrial loans at major New York City banks rose \$719 million in the week ended Wednesday, the Fed reported.

That compared with a rise of \$421 million in the previous week and a gain of \$613 million in the same week a year ago.

The New York Fed estimated U.S. commercial banks averaged net borrowed reserves of \$2,823 billion in the week ended Wednesday. That compared with net borrowed reserves of \$2,466 billion the previous week.

Member bank borrowings from

the Federal Reserve System averaged \$3,081 billion in the statement week, up from \$2,593 billion the week before.

Total reserves of the member banks averaged \$388.5 billion seasonally adjusted in the statement week, up from \$384.1 billion the previous week. In the four weeks ended Wednesday, total reserves averaged \$36.50 billion, representing an annual rate of increase of 18.3 percent over the past 13 weeks.

In the week ended June 12, money supply, consisting of cash and checking account deposits, averaged \$280.9 billion, down from \$281.1 billion the previous week, the statistics show.

For the four weeks ended June 12, the supply averaged \$280.2 billion, representing a 6.7 percent growth in the latest statistical quarter, down from 1.3 percent.

Prices declined in light trading on the American Stock Exchange.

The Amex index fell 0.89 to 80.01. On the over-the-counter market, the NASDAQ industrial average fell 0.75 to 77.70.

U.K. Stocks Drop Again

LONDON, June 21 (AP-DJ)—Shares on the London Stock Exchange closed lower today, the last day of the two-week account period.

The market was in a gloomy mood after the second major defeat for the government in the House of Commons and further pay rises under threshold pay agreements.

Earlier there had been hopes of a technical rally on the last day of the account by investors closing short positions, but small persistent selling caused prices to drift downward. Selling for the new accounting period was also reported.

The number of officially recorded transactions was 5,248. At the close the Financial Times industrial index was at 249.1, down 3.2. It was the lowest level since Sept. 14, 1959.

Butz Warns of Retaliation On Barriers to U.S. Exports

WASHINGTON, June 21 (NYT)—Secretary of Agriculture Earl Butz warned exporting nations against trade practices that he said were deepening the distress of the American cattle industry.

"We may be forced into a retaliatory posture," he said, unless major exporting nations agreed to voluntary restraints on shipments to this country and unless other countries, particularly Canada, reduced barriers to U.S. shipments.

At the same time, the secretary called the margin between domestic retail prices and farm prices "excessively wide," and announced the formation of a "task force on meat margins" to be headed by the department's chief economist, Don Paarlberg, to study the problem.

Mr. Butz made his remarks at a news conference after an appearance before the House Agriculture Committee during which he softened his department's previous resistance to legislation for guaranteed loans to help meat producers through their emergency.

Cattle and hog producers are in "dire straits," he told newsmen. He said the problem that had focused previously on feedlot operators, who fatten cattle for market, had now spread to those who raise the calves. He said those "cow-calf men" are now selling at a loss.

During the period covered in the indictment, from July 23, 1973 to Feb. 8, 1974, Tomarkin repaid the bank \$1.1 million from his investments while at the same time placing his profits in a bank account he had opened at another Franklin branch.

Tomarkin and Noble were accused of stealing \$983,527.73, but the bank was able to recover about \$544,000, a portion of which was later discovered in Tomarkin's account at the bank.

A spokesman for Franklin National said that the bank is "partially covered by insurance" for the remainder of the funds.

Two Plead Guilty to Stock Swindle At Ailing Franklin National Bank

NEW YORK, June 21 (NYT)—A former supervisor of the financially troubled Franklin National Bank and an independent securities trader have pleaded guilty in Manhattan supreme court to participating in a stock swindle in which, at one point, they used \$2.1 million of the bank's funds to buy so-called "flashy" securities on the stock market.

The two, Robert Noble, a former supervisor in the securities department of one of the bank's branches, and Robert Tomarkin, pleaded guilty before supreme court Justice Burton Roberts late Wednesday. Justice Roberts set Sept. 20 for sentencing.

A felony indictment charging the defendants with conspiracy, grand larceny and falsifying

business records was handed up by a Manhattan grand jury last March 27, but its contents were not known publicly until Wednesday.

The roughly 3,500 tons of gold reserves, officially sold valued at the old price of \$35 an ounce, are also untouched, the sources said. No domestic law has been passed to raise them to the \$42.22 official price.

Italy activated its \$1.84 billion short-term European Common Market swap on March 18 this year, but the sources were unwilling to say to what extent this may have been marshalled into the intervention support operations since then.

They also declined to estimate net additional Italian foreign borrowing requirements this year. Central bank sources have said no major Italian foreign loans are immediately planned, and Treasury Minister Emilio Colombo has stated publicly that none are likely at this time, although they are certainly needed.

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However, should a European community loan be arranged for

Italy's \$5-Billion Credit Said Untouched

ROME, June 21 (Reuters)—Italy has not used any of its \$5.2 billion worth of international swap lines and stand-by credits to defend the lira in the last six weeks, despite the government crisis and foreign press speculation of the country's imminent bankruptcy, senior banking sources said.

These untouched swaps and credit lines comprise the \$1.2 billion International Monetary Fund stand-by, the \$3 billion U.S. Federal Reserve Bank swap, \$500 million from the West German central bank, \$250 million from the Swiss central bank and \$250 million (Canadian) from the Bank of Canada.

The roughly 3,500 tons of gold reserves, officially sold valued at the old price of \$35 an ounce, are also untouched, the sources said. No domestic law has been passed to raise them to the \$42.22 official price.

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Brokers' Charge Raised

NEW YORK, June 21 (Reuters)—Paine Webber Jackson & Curtis Inc. said it will increase commissions by about 4.35 percent on brokerage transactions between \$5,000 and \$500,000. Details of the implementation of this move will be announced later, Paine Webber said.

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Prices Drop On Wall St., Volume Dips

Prime Rate Boost
Is Investor Worry

NEW YORK, June 21 (Reuters)—Wall Street was bombarded with negative news today and that sufficed to extend the losing streak to six sessions on the New York Stock Exchange.

A 1/4-point boost to 11 1/2 percent in the prime rate by two large New York banks and a sharp jump in the May consumer price index headed the list of problems for investors.

The Dow Jones industrial average declined 5.50 to 815.33. Declining issues led gainers by about 1,025 to 350.

Volume totaled 11.83 million shares compared with 11.99 million yesterday.

Analysis said a market sentiment also was hampered by the sharp rise in business loan demand reported by the Federal Reserve Bank of New York after the market had closed yesterday.

While the rise in weekly loan demand had been expected because of seasonal factors (to pay quarterly income taxes), it nevertheless appeared to raise concern that interest rates may not have peaked, as had been believed two weeks ago when some banks began trimming prime lending rates.

Pepsico fell 1 1/2 to 60, while Coca-Cola lost 3/8 to 109 7/8. Some industry analysts speculated that the decline in the stocks of soft drink bottlers may have stemmed from the recent sharp increase in the price of sugar, a basic soft drink ingredient.

General Motors dropped 1 3/8 to 49 1/8. GM's Norwood, Ohio, plant, was struck by the United Auto Workers.

Ford Motor eased 1/2 to 52 1/8. A Ford official said high interest rates "had some adverse" effect on car sales.

Digital Equipment fell 3/4 to 107 1/4. Black & Decker 1/4 to 35, and McDonald's 3/4 to 55.

National Union Electric, which did not trade yesterday, climbed 5 1/2 to 27 1/2.

Prices declined in light trading on the American Stock Exchange. The Amex index fell 0.89 to 80.01.

On the over-the-counter market, the NASDAQ industrial average fell 0.75 to 77.70.

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Art Buchwald

How to Explain It

PARIS—The good news from France is that the French no longer hate Americans. If anything, they are very sympathetic with President Nixon's plight and cannot understand what all the fuss in Washington is about.

My good friend François said to me: "Alors, mon sieur, what are you doing to your poor President?"

"Nothing, really," François said. "It's just that he's in a tight jam and they're trying to find out whether they should impeach him or not."

"But what did he do?" François asked.

"It's hard to explain. You see, there were some people working for his reelection who decided to find out what the other political party was doing by bugging its headquarters."

"Mais oui," François said. "What is wrong with that?"

"It wasn't just a question of bugging the opposition's office. They also discovered that people working for the President had large amounts of cash which they were using to sabotage the President's opponents."

"Naturellement. What else would they do if they were trying to beat the other party?"

"You don't understand, François. What they were doing was illegal."

"I understand perfectly," François said rather irritably. "But what is wrong with doing something illegal to win an election?"

"Well, it wasn't just a question of the President's people doing something illegal. It turned out that when the people involved were arrested, an effort was made to cover up the crime so nobody would know anyone in the White House had anything to do with it."

"I ai compris. Any politician

in France would do the same thing," François said. "The cover-up, as far as we know," I continued. "Involved a former attorney general, the head of the FBI and several people very high in the administration. All sorts of evidence was destroyed, and some of the President's most trusted men perjured themselves before the Senate Watergate committee and the grand jury."

"We read all this in the French newspapers. But you still haven't answered my question. What did they do wrong?"

"François, how can I make you understand? There was one political scandal after another. The Vice-President of the United States was forced to resign for taking bribes. The White House kept an enemies list which they were going to use to get people who criticized the President. They also hired plumbers to break into people's homes and offices. One thing led to another, and pretty soon there was some question of whether the President of the United States himself was involved."

"In France we would have been very disappointed if our President wasn't involved."

"Then there were other scandals. Mr. Nixon forgot to pay \$465,000 in income taxes."

"Vive Nixon!" François said. "Then it was discovered that the President had tape-recorded everyone who came into his office. Some of the tapes could prove whether he was involved in the cover-up of the other crimes. The House of Representatives and the special prosecutor asked to hear all the tapes, but Mr. Nixon gave them only a few which he claimed were sufficient to find out if he was guilty or not."

"Any Frenchman would do the same thing. You have told me nothing so far to explain why you keep picking on him."

"François, I didn't want to tell you this, but the tapes revealed that the President of the United States puts catsup on his cottage cheese."

François's eyes bugged out. "Alors, why didn't you say that before? Now I understand why you want to impeach him."

Frugal Existence of Werner Knoxon, Retired

By Jon Nordheimer

TELA VISTA, Calif., (NYT)—A journey that began in the final year of the last century in a small Swiss canton has carried Werner Knoxon to a cramped room in a former college dormitory situated near the surf of the California coastline.

It's been a half-century since the Swiss immigrant and his Australian bride opened a tearoom in Manhattan called the Kangaroo, and nearly two decades have passed since the couple sold a 200-acre camp in Vermont that they had acquired after they abandoned the city in search of a more pastoral existence.

Actual retirement came in 1965 when they put most of their life savings into mutual funds to "guarantee" a steady annual income and moved across the country to California to settle in a cottage in Ojai, a small valley community nestled in the Santa Ynez Mountains, about 40 miles east of Santa Barbara.

After a few years of a frugal but pleasant existence, things started to fall apart for the Knoxons. First there was ill health and its related expenses, but since 1968 the Knoxons have had to deal with inflation, and like other Americans on fixed incomes, the struggle reduced their already spartan existence to one of steady financial decline and impoverishment.

Mary Knoxon, 14 years older than her husband, died last year at the age of 88. Werner Knoxon, at 75, is going blind and poor circulation in his legs is rapidly crippling him. He is alone, a man who has outlived his friends and family, and dreads only one hope.

"My only concern now is that I don't outlive my savings," he said in the dim half-light that filtered into his room at Friendship Manor, a nonprofit residence for the aged on the edge of the campus at the University of California at Santa Barbara.

"I've never been on welfare and now that Mary's gone and doesn't need me to care for her I'd just as soon go myself than get welfare," he went on. "It's an old man's silly pride."

Although Knoxon's background is not typical of the average elderly American, his difficulties sum up the troubles faced by an estimated 5 percent of the national population—some 11 million persons—whose retirement incomes have been eroded by double-digit inflation to the point where they exist in a lonely world of poverty and disillusionment.

According to a federal government survey, 37 percent of those



Werner Knoxon

65 or older live on an income of less than \$5,000 a year. Twenty-five percent exist on less than \$1,500.

For the most part, inflation for this segment of America does not mean a choice between necessities and frills. It forces hard decisions about which necessities are to be reduced or eliminated because the luxuries were long ago abandoned.

"We were so naive," Knoxon said with a wistful glance at a photograph of his late wife that rests on the grained surface of a pine drop-leaf table, one of the pieces of furniture he has managed to hang on to through the years. The couple was childless. "We were never particularly money-minded, and I guess that was our trouble. Who could guess that prices would go like this? That land we sold in Vermont in 1954 for \$30,000 is probably worth a quarter-million dollars today. Who could foresee that an investment in real estate would be much safer than money in the stock market?"

The first place the couple felt the pinch was in rising food prices, he said, but they were adept in finding ways to cut major food costs without a corresponding sacrifice in nutrition.

Meatless Chili

"My wife had a pretty good touch for this kind of thing. Her specialty was a meatless soybean chili that actually tasted pretty good."

However there was no way to skimp on medical expenses not covered by Medicare. In recent years he explained, they began to consume 25 to 30 percent of their budget. His own deteriorating eyesight, a combination of diabetes and glaucoma, and a worsening arthritic condition suffered by his wife, caught the couple in a spiral of costs that ate into their savings as the plunging stock market critically cut income from the investment in mutual funds.

For Knoxon, his wife's death was simply another step closer to despair. Neighbors found him a few weeks later inside the cottage, half-starved and nearly blind, unable to care for himself, and they took him to Friendship Manor, a converted college residence which now serves the needs of the aged.

There, at least, his physical needs are met. Knoxon pays \$138 a month for his one room and \$70 a month for his meals. His biggest expense beyond this is for medicine and vitamins, which average about \$50 a month. He likes to buy his own whole wheat bread at a local grocery to eat with his meals, but in the one year he's been there, the cost of a loaf has gone from 39 cents to 53 cents.

Private Possessions

Nearly blind and hobbled now, he spends most of his time in his room, when he is not taking meals in the cafeteria, comforted by a few private possessions.

Late at night, as he listens to classical music in his room, the old man often sits hunched at his pine table with a magnifying glass and opens a photo album that is filled with smiling young children in striped polo shirts and khaki shorts at a summer camp in Vermont. Snapshots pasted on pages worn thin by fingers searching out memories.

At one elbow is the smiling photo of his wife, and at the other is a Swiss calendar scraps tacked to the month of May in 1966, a page that displays a glorious color view of lakes on the Bleier See, the old man's native village where he was born in the final year of the last century.

PEOPLE: Publisher Defends Solahentyn's First Wife

Alexander Solahentyn's first wife, Natalya Keshetovskaya, has written a book about her life with the 56-year-old Nobel prize-winner, now living in exile in Zurich with his second wife and family. And her publishers, Editions Alain Davaux of Geneva and Paris, are anxious to refute any hint that the KGB orchestrated the book to discredit Solahentyn.



Lowell Thomas

Arnold Arles, of the publishing firm, said that all details in the book had been scrupulously verified—it contains details about their divorce and her impressions of his writing. "Darius said he had seen the first Mrs. Solahentyn Wednesday in Moscow and discussed her work with her for four hours 'in conditions of absolute freedom.' We are convinced this work has been carried out by Mrs. Solahentyn alone and we have checked the facts."

The book will appear in French in July, in English in September. It is said to include many letters written by Solahentyn to his first wife—they separated in 1970.

MARKED: Pope Paul VI's 11th anniversary of his election to the Holy See, Friday, without ceremony. The 78-year-old Pontiff, the former Giovanni Battista Montini, was chosen shortly before noon June 21, 1963, to succeed the late John XXIII.

SUED: Comedian Godfrey Cambridge for \$20,000 by a Detroit motel office manager who says Cambridge beat and kicked him last winter after complaining about service. "It's not so much the money," said the manager, Fritter, 26, "but he's got to be taught a lesson." After the incident, Cambridge, 41, was quoted as saying, "I straightened things out, everything's cool." No date has been set for the hearing.

TESTED: Lady Jane Wellesley, by police on Thursday. Lady Jane, 33, daughter of the Duke of Devonshire, was stopped in her car in London and asked to take a breathalyzer test. She was later driven home in another car by a friend. Her name has been linked with that of Prince Charles but she has denied rumors of a romance. Police have declined to say if they plan to press charges against her.

TEXAS LAI: Gov. Bill Hobby has been placed on nine months' probation and fined \$100, pleading no contest to a charge of drunk driving. Hobby, 42, arrested early Thursday morning—an ice chest, an empty gallon wine bottle and a 66 thirds empty fifth of Scotch were found in his car.

Lowell Thomas has survived wars, revolutions, plane crashes, still he said he was "damn glad to be alive." Thursday, still dashing shoeless down six flights of stairs in a blazing hotel, James, Alaska. The 82-year-old veteran newsreader was one of about 300 people in the hotel—one person was killed and injured. Thomas himself suffered from mild smoke inhalation.

Singer Johnny Cash, claiming that pirated recordings are draining \$300 million a year from the U.S. recording industry, has called for a tough law to protect copyrights. "This is something I have seen and known about and live with for the last 20 years," Cash said. "It has to be stopped." He appeared in Washington to support a bill sponsored by Tennessee congressmen that would impose fines of up to \$50,000 on all terms for record piracy. "I'm concerned with the moral issue here," Cash said. "Record piracy is no better than counterfeiting \$100 bills... or rustling cattle."

According to a survey taken by the U.S. Postal Service, last year's top mail-getter was Hani Aaron, the Atlanta Braves home run king. He received an estimated 900,000 pieces of unsolicited mail.

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